



STATE OF WASHINGTON

**OFFICE OF FINANCIAL MANAGEMENT**

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September 21, 2001

**TO:** Select Capital Budget Agencies

**FROM:** Marty Brown, Director

**SUBJECT: GENERAL OBLIGATION BOND FUNDED PROJECTS**

Given the very serious nature of recent national and state events related to the airline industry and other vital economic activities, OFM is currently assessing the scale of negative impacts to state budgets, including the capital budget.

The recent events are coupled with reduced general fund revenues, which in turn have a very direct impact on our ability to issue new bonds to finance construction projects. At this time, we have no schedule or ability to predict when we will have this information. Given this we are not in a position to approve capital allotments that utilize general obligation bonds until more information is available.

Although it is not yet decided, this may involve rescinding allotments that have already been approved.

Please understand that I am aware of the disruption that this action can cause. However, this pales in comparison to the real possibility of later having to stop a large number of major projects that are underway.

We will continue to be in contact with you as we develop more information.